



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 6, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P-592-429-526

Mr. Neil J. Mortensen, President
Western Clay Company
P. O. Box 1067
Aurora, Utah 84620

Dear Mr. Mortensen:

Re: Permitting, Redmond Bentonite Pit, ACT/041/012, Sevier County, Utah

The Division has received an Irrevocable Letter of Credit to cover all of Western Clay's mining operations including the addition to the Redmond Bentonite Pit. This Surety is acceptable to the Division, and consequently previously held bonds have been released. Please find enclosed, certificates in the amounts of \$1,000.00, \$5,000.00, and \$2,000.00, endorsed by State Lands and the Division of Oil, Gas and Mining. The Division has also received the Annual Operations and Progress Reports as required for the Redmond Bentonite Pit.

Western Clay has not to this date submitted updated and finalized maps and plans for the proposed new bentonite pit. As discussed in Randy Harden's August 16, 1985 letter to you, Final Approval to mine the new pit cannot be given until two complete copies of this plan are received. Please submit these plans within 30 days of receipt of this letter, so that the permit approval can be finalized.

Please contact me or Randy Harden if you have questions.

Sincerely,

Susan C. Linner
Reclamation Biologist/
Permit Supervisor

jvb
Enclosures

cc: J. Mansfield
L. Braxton
R. Harden

0028R-78

NOT TRANSFERABLE except on the books of the Depository Institution.

ZIONS FIRST NATIONAL BANK

Issued at Richfield Richfield, Utah, April 12, 1983
Office City Date

THIS CERTIFIES THAT there has been deposited in this Bank the amount of FIVE THOUSAND DOLLARS AND NO/100 (\$ 5,000.00)
payable to Western Clay Company or Utah Division of State Lands Social Security or Identification Number 87-0298395
Address P.O. Box 1067 ML 1937 City Aurora, State Utah Zip Code 84620

Interest at the rate of 8.798 % per annum commencing from April 12, 1983, and payable October 12, 1983, to depositor, or if more than one, to either or any of said depositors or the survivor or survivors in current funds upon presentation and surrender of this certificate properly endorsed. Interest payable: ☐ quarterly ☒ maturity.

This certificate shall be **automatically renewed** for successive like maturity periods if the certificate is not presented and surrendered for payment within seven (7) days after the original or any renewed maturity date, or unless the Bank issues or mails notice to the contrary to depositor(s) or to either or any of said depositors at least ten (10) business days before any such maturity date, and any mailed notice shall be sent to the address above or then designated on Bank's records. The interest rate for each renewal period shall be the prevailing rate of the Bank on new Time Certificates of like duration on renewal date. Certificate transferable only upon books of the Bank. Subject to applicable present and future state and federal laws and regulations.

Certificate not redeemable prior to original or final renewed maturity, and deposit bears no interest after original or final renewed maturity.

Interest to be paid by: ☐ Compound ☐ Deposit Checking Account

☒ Remit by Mail

☐ Deposit Savings Account

By Lila Lee Isbell
Authorized Signature

SUBORDINATED NOTE

First Security Bank of Utah
NATIONAL ASSOCIATION

NO 202028

ISSUED AT (NAME OF OFFICE)	CITY & STATE	DATE	AMOUNT
<u>Main at First South</u>	<u>Salt Lake City, Utah</u>	<u>February 27, 1978</u>	<u>\$---2,000.00--</u>

Ten (10) YEARS AFTER DATE OF ISSUE HEREOF FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, Salt Lake City, Utah
WILL PAY TO ****Utah Division of State Lands and Western Clay Co.****

THE SUM OF The sum of 2,000 dollars HEREIN KNOWN AS REGISTERED OWNER(S) 00 DOLLARS
payable at the issuing office upon presentation and surrender of this note properly endorsed, on February 1988 27th

Interest at the rate of 8.50 % will be paid semi-annually from the date of issue to maturity. No interest will accrue after maturity date. The Bank will consider the registered owners named above as the owners of this note for all purposes. Assignment of this note shall not be final until (1) the assignment form on the reverse hereof is properly executed, (2) the Note is presented to the issuing office for transfer.

THIS OBLIGATION IS NOT A DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION; IS SUBORDINATED TO THE CLAIMS OF THE DEPOSITORS, IS UNSECURED, AND IS INELIGIBLE AS COLLATERAL FOR A LOAN BY THE ISSUING BANK

This Note is not a binding obligation unless signed by an authorized agent.

Robert Chen
AUTHORIZED AGENT

N. J. Ott
PRESIDENT

L-68 R 4-77 6Y

151245
2 1/2 Yr.

ZIONS FIRST NATIONAL BANK

NOT TRANSFERABLE except on the books of the Depository Institution.

Issued at Salina 54 Salina, Utah, December 10, 1984
Office City Date

THIS CERTIFIES THAT there has been deposited in this Bank the amount of One Thousand and No/100 Dollars (\$ 1,000.00)
payable to Western Clay Co./Division of Gas, Oil and Mining Social Security or Identification Number 87-0298395
Address 500 East Center P.O. Box 1065 City Aurora, State Utah Zip Code 84620

Interest at the rate of 10.75 % per annum commencing from December 10, 1984, and payable June 10, 1987, to depositor, or if more than one, to either or any of said depositors or the survivor or survivors in current funds upon presentation and surrender of this certificate properly endorsed. Interest payable: ☒ quarterly ☐ maturity.

This certificate shall be **automatically renewed** for successive like maturity periods if the certificate is not presented and surrendered for payment within seven (7) days after the original or any renewed maturity date, or unless the Bank issues or mails notice to the contrary to depositor(s) or to either or any of said depositors at least ten (10) business days before any such maturity date, and any mailed notice shall be sent to the address above or then designated on Bank's records. The interest rate for each renewal period shall be the prevailing rate of the Bank on new Time Certificates of like duration on renewal date. Certificate transferable only upon books of the Bank. Subject to applicable present and future state and federal laws and regulations.

Certificate not redeemable prior to original or final renewed maturity, and deposit bears no interest after original or final renewed maturity.

Interest to be paid by: ☒ Compound ☐ Deposit Checking Account

☐ Remit by Mail

☐ Deposit Savings Account

By Quanda M. Colby
Authorized Signature

INSTRUCTIONS:

No assignment is valid until it has been entered upon the Subordinated Note Register of the Bank. No assignment will be entered unless it is properly signed by the Registered Owner(s), who must be properly identified. A person signing in representative or fiduciary capacity must also attach appropriate evidence of his authority.

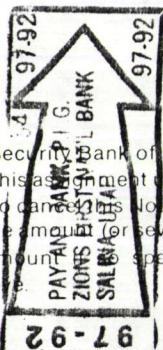
ASSIGNMENT

The undersigned Registered Owner(s) of this Note hereby assign(s) this Note to

Name(s) and Address(es) Social Security Denomination of
of Assignee(s) Number(s) New Notes

PAY TO THE ORDER OF
ZIONS FIRST NATIONAL BANK
RICHFIELD, UTAH 84701
FOR DEPOSIT ONLY
WESTERN CLAY COMPANY

PAY TO THE ORDER OF
ZIONS FIRST NATIONAL BANK
RICHFIELD OFFICE
FOR DEPOSIT ONLY
WESTERN CLAY COMPANY
55 - 01392 - 4



and instructs the First Security Bank of Utah, National Association to register this assignment upon its Subordinated Note Register, to cancel this Note, and to issue another Note in the same amount (or several Notes aggregating the same amount as specified) to the Assignee(s) named above.

SIGNATURE OF REGISTERED OWNER
(PLEASE SIGN EXACTLY AS NAME APPEARS ON FACE OF NOTE)
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY
355 WEST NORTH AVENUE SUITE #400
SALT LAKE CITY, UTAH 84103-1204
Address:

(PLEASE PRINT OR TYPE)

Donna R. Nelson
Director
Division of Oil, Gas & Mining, State of Utah

RECEIVED

DEC 05 1985

**DIVISION OF OIL
GAS & MINING**

PAY TO THE ORDER OF
ZIONS FIRST NATIONAL BANK
RICHFIELD OFFICE
FOR DEPOSIT ONLY
WESTERN CLAY COMPANY
55 - 01392 - 4

Pay to the order of
STATE TREASURER, STATE OF UTAH
to the credit of the within named payee
State Land Board, Suspense Account
Div. of State Lands
NO PROTEST
Pay to the order of
FIRST SECURITY BANK OF UTAH, N.A.
FOR DEPOSIT ONLY
UTAH STATE TREASURER

Received Payment Through
Salt Lake City Clearing House Assn. or
Any Bank, Banker or Trust Company
Previous Endorsements Guaranteed
FIRST SECURITY BANK OF UTAH, N.A.
31-1 Salt Lake City, Utah 31-1